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The Impact of Social Enterprises and Social Entrepreneurship on Poverty Eradication: Case Studies from Spain, Egypt, and Lebanon

Vincent Caruana
Sana El Sayegh

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Basic Introduction

In recent years, social enterprises have been emerging as key in contributing to poverty eradication and to sustainable development. These purpose-driven businesses combine entrepreneurial strategies with a commitment to generating positive social impact, transcending the narrow focus on profit maximization.

This piece argues that social enterprises are an important vehicle for contributing towards poverty eradication. Based on the case studies from three different contexts (Spain, Lebanon, and Egypt), this paper shows that Social Enterprises are able to develop innovative solutions and business models that empower marginalised groups through including them in the job market and creating a space for them to solve their community problems (Nándori & Lipták, 2022). Being focused on social impact, social enterprises are key in adhering to systemic barriers and fostering environments that are just, inclusive, and empowering (Lateh et al., 2018). This paper also sheds light on the importance of providing a proper infrastructure for such organisations to prosper and maximise their impact on poverty eradication through the right legal frameworks and policies.

The analysis of the proposed case studies showcases the opportunities behind using social enterprises to create social and economic justice for vulnerable groups and reduce levels of extreme poverty. The findings of this paper should be of interest to international audiences and stakeholders who are interested in fostering inclusion and socio-economic development.

Literature Review

Social enterprises and Social entrepreneurship have been becoming increasingly popular over the years as a vehicle to address social issues, including poverty (Cooney & Williams Shanks, 2010). However, there is a need for further empirical research to explore how effective social entrepreneurship and enterprises are in contributing to poverty reduction in different countries in the world. In fact, there is an overall gap, both in research and in recognition in this area; for example, the Sustainable Development Goals Report (2022), the 2030 Agenda recognizes that the agenda “is in grave jeopardy due to multiple, cascading and intersecting crises (p.3)”, but makes no mention of Social Enterprises (SEs) or cooperatives, neither when discussing SDG1 on Poverty Eradication, nor throughout the whole text (United Nations, 2022). This gap becomes more pronounced as pertaining to the Mediterranean Region.

There is clear potential in understanding the link better. In a study focused on Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS), it was concluded that SEs provide an “innovative approach and are effective as poverty reduction agents” (United Nations Development Programme, 2015, p.5). In that case, SEs were conceived as meeting both economic and social goals within the third sector. However, such a role was considered as marginal in comparison with Western Europe. An interesting take on this research was the recommendation to support interventions that can “assist in raising awareness of realities that are not yet fully recognized in national contexts” (United Nations Development Programme, 2015, p.7).

Similar sentiments are expressed by Argatu (2018) who surmised that social enterprises have strongly flourished in reaction to the fact that poverty and social exclusion have a harmful impact upon society, and the efforts of governmental bodies are not sufficient to restore its normal functioning and usually they fail in doing so. Social enterprises carry out their mission by embracing various legal forms, be them non-profit organisations, profit-oriented businesses, or government-related bodies. Putting aside the social output conveyed by the activities of social enterprises, the hardships encountered by these entities also need to be

sketched and highlighted. Some of these hardships include, but are not limited to: (1) the unavailability of a proper infrastructure and uplifting circumstances, (2) the restraint in resource accessibility, (3) the privileged behaviour demonstrated to certain economic entities, and (4) a precarious legislative and institutional context. As for the social enterprises dimension, 82.2% of the respondents agreed with the fact that social enterprises are key to eradicating poverty and social exclusion for vulnerable groups (Argatu, 2018).

A study by Tanchanga et al (2020) suggested strategies that can be adopted by social entrepreneurs to increase job creation while ensuring their contribution in poverty reduction. These include identifying opportunities arising from crisis-oriented and vision-oriented factors, creating jobs with a clear social mission of ensuring employment in a particular community, having a compelling social impact theory and a good business model, collaborating with governmental and regulatory bodies to get an appropriate environment for social entrepreneurs development, lobbying to create a favourable legal context where the social entrepreneurs are treated at least at par as other commercial entities, presenting their plan of solving poverty to the government in effective ways, ensuring that they are not positioning their entities outside the mainstream economy, and integrating the ideas of creating the social value in business within the core business' curriculum and not isolate the sector from mainstream economic business research.

Moreover, Nandori et al (2022) surmise that the solidarity-based economic approach relies on the fundamental conviction that people are infinitely creative and are able to work out their own solutions to economic problems and these solutions will be different in different places and situations. Many social enterprises operate like for-profit enterprises, with the difference that their profits are used for social purposes. In post-socialist countries, therefore, one of the primary objectives is to increase and retain the ability to work to help employment, to prevent poverty and to reduce the "risk of poverty due to job loss".

While Tanchanga et al (2020) and Nandori et al (2022) emphasised the creation and retention of jobs, supply and demand do not automatically link up as there are often barriers for the poor to participate in the labour market. Cooney et al (2010) pointed out the need to remove barriers that prevent the poor from participating in the markets, both as producers and consumers through SEs, as they create job opportunities and boost local economic development. This debate about SEs and poverty eradication needs to be seen from the perspective of market inclusivity, in the sense that SEs would help the poor through economic empowerment and human development.

Similarly, Lateh et al (2018) surmised that social entrepreneurship refers to the identification, evaluation, and exploitation of opportunities that result in a social value. Social entrepreneurs have an acute understanding of social needs and then fulfil these needs through creative organisation. However, the obstacles need to be acknowledged, and this research identified three main constraints that discourage youth from starting or engaging in social enterprise, and those included: (1) Restraints in accessing finance, (2) Absence of funds to start, and (3) Lack of strong economic infrastructure (Lateh et al, 2018). The research also identified an overall limitation to social entrepreneurship which has to do with the absence of a supportive environment; They found that an important aspect of reducing poverty through social entrepreneurship is that participants in the communities are also involved in the solution for their problems, to achieve the objective of poverty reduction of the then Millennium Development Goals, and to create a more sustainable future for all humanity. Social entrepreneurship has broadened access to financial sources, promoted the use of social innovations in reducing social problems, granted people empowerment and social inclusion, and created jobs. They quote an example from Zanzibar Women which represents a good example of how a few individuals in a small community or island can have large effects on growth and development. This is in line with the World Bank's primary strategy of "attacking poverty" through empowerment (Peterson, 2015).

The link between entrepreneurship and poverty is very complex. There are case studies that show how entrepreneurship has contributed to both causing poverty and contributing to poverty eradication. For example, poverty production in Vietnam provides a livelihood for around 2.6 million people, out of which nearly a quarter are small-scale farmers belonging to underrepresented social groups (Figueroa, 2021). However, Reuters reported back then in 2013 that such coffee operators were trapped with crippling debts and in deep trouble (Phuong Linh et al, 2013). Fairtrade organisations had reported for at least a decade how the “bankruptcy of coffee farmers in Guatemala and Nicaragua, massive financial losses in Honduras, El Salvador, East Timor and Indonesia, and even the deaths of Mexican immigrants in the Arizona desert” were linked to the oversupply of coffee in the world market when Vietnam became a world coffee producer (Greenfield, 2004), and how Vietnam was selling its coffee beans at around 60 per cent of its costs of production, contributing to a development disaster (Oxfam, 2002).

This paper will focus on how social entrepreneurship is attempting to reduce and eliminate poverty by showcasing different models from different parts of the world. In particular, this paper will shed light on case studies from Spain, Lebanon, and Egypt to showcase how SEs and Social Entrepreneurship can be a vehicle towards poverty eradication and a more just world.

In **Spain**, SEs have become key actors in addressing the social and economic problems that disadvantaged areas face especially from a social perspective rather than a commercial one (European Commission, 2020). SEs have been successful in empowering marginalized groups and assisting in the reduction of poverty by offering work opportunities and programs for skill development. These businesses have proven they are capable of developing inclusive, long-lasting solutions that benefit society and the economy, making them powerful tools for ending poverty. The report published by the European Commission (2020) also sheds light on barriers that SEs face in Spain such as the lack of awareness that people might have about these organizations, lack of accessibility to funding, absence of proper taxation systems that accommodate SE business models, and other factors. The European Commission (2020) report also reveals that the development of SEs has been impacted by the most recent economic crisis in two ways: (1) it has encouraged the development of alternative business models and also (2) pushed members of the society to rethink new models of SEs.

Egypt presents an interesting case, especially with the turmoil that has existed over the decades. There have been efforts to address societal challenges through entrepreneurship and social enterprises, but they have been hampered by a variety of obstacles and limitations, including issues with access to financial resources and other factors such as laws and infrastructure (Oxfam Italia, 2020). The report published by OXFAM Italia (2020) also reveals that much about the ecosystem of social entrepreneurship in Egypt remains undocumented although a lot of local organizations do SE work such as businesses with a "service contract," NGOs, incubated projects, youth groups, women's groups, and informal association.

In **Lebanon**, the situation has been shaped by the strongly rooted neo-liberal and capitalist structures which evolved post war. This has weakened productive sectors in Lebanon and exacerbated the effects of the most recent crises which have struck the country over the past few years (The Solidarity Directory, 2021). Social Enterprises have been evolving in the country since 1979, however, they have lacked the appropriate legal framework to be labelled and to function as social enterprises serving their social impact mission (Lanteri, 2014). In fact, this is an issue until this day today as there is no law or framework that facilitates the growth and development of the SE sector (Lebanese Social Enterprises Association, 2021); a lot of advocacy work has been done on the policy level with little to no cooperation from governmental bodies which makes the work of SEs in the Lebanese context more challenging than ever. **Lebanon**, also part of the Middle East, has endured multidimensional crises over the past few years starting with the Syrian refugee crisis, to inflation, the pandemic, and the

Beirut Blast which happened in 2020. The legal framework in Lebanon does not distinguish between social enterprises and for-profit corporations. Entrepreneurs can either register as an NGO or as a commercial firm, which is subject to taxation and commercial restrictions (Halabi et al, 2017).

Similar to Egypt's case, SE work is being done without proper documentation as it is present in multiple forms such as cooperatives, solidarity structures, and other grassroots organisations. A lot of advocacy work is being done on the level of drafting laws that enable the development of this sector in the country despite the corruption and unnecessary bureaucracy that hinders the work of SEs and entrepreneurs (Halabi et al, 2017). It is interesting to also take into consideration an important finding in the report by Halabi et al (2017) which reveals that SEs in both Lebanon and Egypt are both founded or started by individuals who belong to the middle or upper class; this is linked to the idea of the financial barrier that exists against the development of SEs.

Methodology

The methodological approach that was utilised in this paper was case studies, within the context of Spain, Egypt, and Lebanon, to investigate the prospective of Social Enterprises in contributing to the eradication of poverty. This is a suitable method to explore complex social phenomena in real life, specifically through the lens of the practices of social enterprises. This involved key informant interviews backed up by document and media analysis where relevant to gather the necessary data. This includes mapping public documents, reports, or news articles that are of relevance to our topic.

This approach of “experience capitalisation” is closely related to the systemization of experiences, defined “as an evaluative and participatory technique of documentation that ... has gained popularity due to its effectiveness in documenting and disseminating poverty reduction lessons” (Guijt, 2008, p. 32). It reflects the main aim of this paper to promote poverty eradication and social justice through inquiry and research.

Regarding Egypt, use was made of primary data gathered in part fulfilment of Vincent Caruana's doctoral studies (Caruana, 2014), focusing on Fair Trade Egypt¹. Regarding Lebanon, Sana El Sayegh conducted 5 interviews specifically designed with the focus of this paper in mind. The interviewees were contacted based on their relevant work experience in Lebanon. The interviews were conducted with members from the Lebanese Social Enterprises Association² which represents a group who is committed to organise the SE sector in Lebanon, a member of Chreek SE³ which is an enterprise that supports the socially disabled in Lebanon, a member of Fair Trade Lebanon⁴, a member of Jana Al Basateen Cooperative which is a women led organisation providing job opportunities and quality food production, and a member of Coop Fair⁵ which is a cooperative aiming to support small producers in Lebanon, and finally a co-founder of **The Solidarity Directory**⁶ which is a local organisation that works towards creating a progressive and democratic economy that works for everyone.. Regarding Spain use was made of secondary data, exploring already existent data, and re-organising it for the purposes of this paper.

¹ <https://www.facebook.com/fairtradeegypt/>

² <https://lseassociation.org/>

³ <https://www.facebook.com/chreeklb/>

⁴ <https://www.fairtradelebanon.org/>

⁵ <https://www.facebook.com/coopfair/>

⁶ <https://daleeltadamon.com/>

It is important to note that these case studies are not meant to be generalised but they are for the purpose of showcasing the potential of Social Enterprises and Entrepreneurship in the appropriate conditions.

Findings

SE's and Opportunities

The three identified contexts (Spain, Lebanon, and Egypt) are different in so many ways, however, the findings reveal certain patterns that highlight how SEs play a role in alleviating poverty and driving social change:

Poverty Alleviation

In the case of **Egypt**, Fair Trade has shown that it can intervene with specialised programs for the geographical areas characterised by a high poverty density. Due to the huge disparities within different governorates within the same city or village, it is important that Fair Trade criteria are implemented with a lot of sensitivity towards the local areas in question. This is evident from the responses of the producers interviewed when they were asked to give an ideal monthly wage to live on. The amounts given varied greatly, not only because of the varied cost of living between El Fayoum and Cairo, but also due to the fact that city households tend to buy all they need. Therefore they are constantly in need of disposable income. Whereas, in the villages households tend to have a good proportion of their food needs granted through a small holding (Caruana, 2014, p. 95)

Lebanon - being a country in the Arab world - is characterised by several socio-economic issues which are due to several regional, local, and international factors. Most of the issues that are closely linked to poverty are high rates of unemployment, lack of educational opportunities, decline in healthcare systems, consumerism, and other concerns (Jamali and Kreidie, 2014). With the absence of governmental action during this critical time, there has been a rising interest from the civil society sector and international donors in the prospect of social enterprises and entrepreneurship as an alternative to tackle these social and economic problems in an unconventional way. It is important to note that social enterprises are not the way to solve all the above-mentioned problems, but they are a way to involve the most vulnerable and marginalised communities in opportunities that improve their quality of life. These groups could be, but not limited to, women who are subjected to GBV, LGBTQ+ communities, refugees, individuals with criminal records, and others.

Poverty is not specifically mentioned in the principles that guide Social Economy in **Spain** (CEPES, 2020). However, it does mention:

“Promotion of solidarity internally and with society that favours commitment to local development, equal opportunities between men and women, social cohesion, the insertion of persons with the risk of social exclusion, the generation of stable and quality jobs, the conciliation of private, family and work life and sustainability”.

This correlates strongly with poverty issues since various elements are emphasized that can contribute to eradicating poverty and enhancing social inclusion. By promoting solidarity, equal opportunities, social cohesion, and the insertion of marginalized individuals, the social economy can play a significant role in tackling poverty.

For example, Acción contra el Hambre⁷ in **Spain** is an international social enterprise working to combat hunger and malnutrition worldwide with a base in Spain. They claim that:

“Unemployment, high temporary employment, low wages and other precarious conditions continued to bring part of the population closer to the circle of poverty and exclusion Spain has the 7th highest AROPE rate in Europe (rate that measures the risk of poverty and/or social exclusion) And lastly, food insecurity, since households without income cut spending on food.”.

Within this context, their interventions in Spain lie mostly in promoting access to the labour market for unemployed people in vulnerable situations, with the sociodemographic characteristics of their beneficiaries being 67% women, 41% long-term unemployed, 25% reside in households with all members unemployed, and 34%

Deconstructing Stigma and Empowering Vulnerable Groups

Through fostering SE's, vulnerable groups are given a second chance that allows them to participate fully in their communities and encourages them to become active members of it. For example, Chreek is a Lebanese social enterprise registered as an NGO who works with vulnerable groups all over Lebanon and provides them with reintegration programs which are tailored to their specific needs. Chreek in Lebanon strongly believes in the importance of addressing social impact through a sustainability approach and they try to implement this by collaborating with local organizations on various projects and interventions. They have participated in over 35 projects in recent years which have had social, economic, and environmental impact. They have worked with individuals who have special needs, individuals with criminal records, and other groups who are “socially disabled” through supporting them with receiving the necessary skills for them to be able to stand against social and economic exclusion.

Goteo⁸ in **Spain** is a crowdfunding platform for social, cultural, and technological projects that aim to create a positive impact on society. It describes itself as the barometer of the needs for a more collaborative and transparent society. 2023 data show that 19% of such funded projects are social. A quick search on their website shows that one of the recent (2019) funded projects was “Support Peruvian kids through education+” that aimed to break the cycle of poverty and criminality for teenagers and promote development, education and values through education.

Another example is Fundación Adsis⁹ in **Spain** which is a social enterprise that works with vulnerable individuals, including minors and youth, people with addictions, persons deprived of liberty and ex-deprived of liberty, migrant people, to provide them with opportunities for personal development, education, and employment. The organization runs various programs and initiatives aimed at empowering people to improve their life circumstances and break the cycle of poverty and social marginalization, including projects and activities to promote the labour insertion of people over 30 years of age, development cooperation, fair trade and informing, guiding, advising and training for the job search, intermediation and accompaniment work, connecting the supply and demand for employment under the figure of a Placement Agency.

Moreover, the crisis in Lebanon has definitely brought about a chaotic scene, but it was also a chance for people to shift their focus from the so-called banking sector to other productive

⁷ <https://www.accioncontraelhambre.org/es/europa/espana>

⁸ <https://goteo.org/>

⁹ <https://www.fundacionadsis.org/es>

sectors such as agriculture and food production, which were ignored and underestimated at a certain point. In fact, a study was conducted by the LSE Association in 2021 which revealed that around 35% of SEs were founded in 2019 amidst the crisis and this was reported as the highest number since 1967. The surveyed SEs have reported to be mostly aligned with the No Poverty SDG (76%) which highlights how SEs are crucial in a country situated in the Arab World where unemployment rates have been peaking (Jamali and Kreidie, 2014). This study has also highlighted that SEs in Lebanon have various activities but around 68% of them have a focus of creating job opportunities in addition to other significantly reported ones such as raising awareness, empowering women, and improving well-being. In fact, The Solidarity Directory in Lebanon was successful in initiating two women-led businesses in the production and services sectors in 2022 based on a community needs assessment and following their Solidarity Accelerate Program¹⁰ which is an incubator for solidarity actors that develops their ideas while linking and balancing between the needs of the community and the capabilities of the beneficiaries all in an innovative atmosphere. This project provided over 20 women who were subjected to GBV with job opportunities and helped them in leading their own enterprise after being trained with the necessary skills such as management, financing, and marketing. These businesses were a chance for these women to feel empowered and to gain economic independence and freedom. Moreover, Jana Al Basateen is a long-standing women-led cooperative which was founded by 14 women in Lebanon back in 2005 as part of a donor funded project in the area. This organisation has endured so many challenges being led by women at the local and regional level but being part of it has also contributed to deconstructing existing stigmas about how women view themselves and how they are viewed in society. A member from this cooperative has expressed that before the training she was participating in as part of the project; she thought that all she could be, was a housewife and her only responsibility was to take care of her home husband and kids. However, being a part of this cooperative has changed how she viewed herself; she viewed herself as a productive member of society and even their husbands and society viewed them differently and supported them to establish the cooperative in its start-up years.

Decent Work and Economic Growth

It is also important to understand the impact of Fair Trade **Egypt** in differing ways. It is at times about a living wage, defined by Living Wage Action Coalition (n.d., para. 1) as a decent wage that “*affords the earner and her/his family the most basic costs of living without need for government support or poverty programs*”. This is the case of the potter interviewed from Rawya who considers 4000 Egyptian pounds (equivalent to about €518.00) per month for the household to be an ideal living wage and which she is already getting. While she sells outside of Fair Trade Egypt, she acknowledges that she gets a lot of help from Fair Trade Egypt and finds it very useful to work with them, since they put a very small margin on selling her stuff. In comparison, other traders keep on bargaining till they get say a 35% discount and then they add another 15%.

At other times it is not about providing a living wage in itself, but rather an extra income that the women can use to lift the household as much above the poverty line as possible. The soap producer interviewed said, on behalf of all her other colleagues who all work part time and sporadically according to orders, “*for the household it is supplementary work, but for all of us this is our only work*”. In one year they get on average 100 Egyptian pounds (equivalent to about €13.00) each.

The LSE study in **Lebanon** also mentioned that around 42% of the surveyed SEs focus on decent work and economic growth activities through their work. For example, Fair Trade Lebanon **Lebanon** is taking part in several activities that increase the access of individuals with disabilities to the job market. Through delivering workshops that help companies include

¹⁰ <https://www.ryzomes.org/solidarity-accelerate>

individuals with disabilities in their recruitment and operation systems, the SDG related to decent work conditions and economic growth is attained while also improving the living standards of those vulnerable groups. This small accelerator program that FTL contributes to the sector with is one of the tools and methods that increase attention towards social impact and poverty eradication.

In **Egypt**, An interesting story of how Fair Trade helped poor producers disengage from an abusive work situation and find new hope through Fair Trade was narrated by the leader of the Palm Thread weaving group in El Fayoum. Fishermen there were finding it increasingly difficult to make a living and were leaving the village in search of work. The women left behind had little job opportunities except for peeling shrimp. They were paid by weight and then they kept the peel, dried, ground and sold it. When the suppliers realised that the women could get an income through selling the processed peel, they stopped paying them for shrimp peeling. Not only were the conditions abusive, but peeling had a negative impact on their hands and furthermore encouraged children to skip school as they could contribute to an income. The introduction of palm tree thread weaving on Fair Trade terms gave them a new and fair income opportunity (they got 5 Egyptian pounds of what was sold at 6 Egyptian pounds to factories) that was safe and clean and freed them from the greed of the traders. Furthermore, rather than having to accept dictated conditions from suppliers, they had a role in the decision making process of the organisation. This also helped raise the role of women in society – with most of the decisions being in the hands of the women since the men were out most of the time.

Similar, the concept of a living wage emerged when Mona el Sayed narrated the beginnings of the Brass group:

“ ... for the Brass Group when he (the founder) came to Fair Trade Egypt he was very poor and very shy ... having 1 or 2 examples as products ... now he is the winning horse for our sales for export and local business ... because now we have a big variety of accessories ... so he can sell to us and for our showroom ... local and export ... and he can sell to other stores inside Egypt .. He works now with 10 or 12 people in his workshop ... he can give regular salaries to this workers because he receives monthly salaries or sales reports from Fair Trade Egypt ... now he can go to exhibitions ... he can be a confident and independent person ... because he received lots of training”.

Coop Fair in Lebanon is another example of the importance of including the most vulnerable in the job market, especially those who are living in rural areas. It was reported that most SEs are located in rural areas (Lebanese Social Enterprises Association, 2021), which might make their operations and sales more tricky since they are socially and economically isolated. This is more of a concern these days especially with the difficulty in transportation with inflation and the rise in prices of fuel. Coop Fair's role in this case is to ease the channels between these small producers in rural areas and consumers in urban areas who struggle to find quality products for fair prices. For example, this organisation is very strict about only supporting small producers who produce their products from scratch. They are not interested in supporting traders who want to sell products made in big bulks just for commercial purposes. They focus mostly on producers who have difficulty selling their products and making their living out of it. For example, one woman who produced carob molasses in a rural area in Lebanon is supported by Coop Fair annually to sell her produce through linking her to consumers through their Facebook group which they mainly use to facilitate the networking and clustering.

Cooperativa Integral Catalana¹¹ in **Spain** is a social and economic cooperative in Catalonia that operates on principles of solidarity and self-management, providing a wide range of services and products to its members and the community, including food, housing, education, and more. Interestingly its principles related to the economy include “Other non-monetary forms of exchange will be promoted: free economy, direct exchange, community economy” and “Establish fair economic relations between producers and consumers: the cooperative will guide when calculating fair prices on the basis of its costs, its needs and those of consumers”. In terms of exchange between partners, they have at their disposal a social currency, the Eco coop, and are planning in the near future to incorporate the use of a fair cryptocurrency, called faircoin, as a unit to be able to make exchanges between territories.

New Opportunities

There are other opportunities brought about by SEs and their potential to alleviate poverty which are worth mentioning. For example, The portal Economia Solidaria¹² is an information portal on the Social and Solidarity Economy in the Spanish State. Interestingly enough the resources here point to newer directions, for example, energy poverty, which is defined as “the inability of a household to satisfy a minimum amount of energy services for its basic needs”, where “available statistics indicate that 10% of the Spanish population is unable to keep their home at an adequate temperature during the cold months (Living Conditions Survey 2007 of the National Institute of Statistics)”. According to the portal, the Association for Environmental:

“.. works to promote both studies on existing energy poverty in Spain and in other parts of the world, as well as to combat it by promoting energy efficiency policies in homes, as well as raising awareness in society about the existence of this problem and how to solve it”.

SEs and Challenges

Despite the significant role that SEs play in reducing poverty and ultimately eradicating it, this sector still faces significant hurdles that incapacitate it maximising its impact. Based on the interviews conducted in Lebanon, the most significant ones that were mentioned are, but not limited to:

1- Inability to Make Informed Decisions: The scarcity of data and research in the SE sector in Lebanon makes it difficult for civil society actors, NGOs, and donors to make data-driven interventions and that affects the quality and the impact. With the additional absence of the governmental bodies, some local organisations such as The Solidarity Directory have to invest in carrying out mapping and research activities before planning activities, but this is costly, time consuming, and not always feasible. In addition to that, data is often hidden and not made publicly available to the people which also makes it difficult for citizens to be aware of socio-economic issues that surround them and act accordingly.

2- Legal Challenges: The vagueness of the concept of a social enterprise poses many challenges in the sector. Most SEs are currently registered as NGO’s (Lebanese Social Enterprises Association, 2021), and currently there is a certain preference to register as civic companies while maintaining SE values and keeping social impact as their main priority to facilitate operations in such a complicated legal context.

¹¹ <https://cooperativa.cat/>

¹² <https://www.economiasolidaria.org/>

3-Absence of Governmental Bodies and Public Services: People residing in Lebanon have limited access to quality education, healthcare, transportation...etc. This means that they have an increased risk of falling into poverty and makes it difficult for them to break this cycle. In addition to that, governmental bodies do not fulfil their role and are absent intentionally and unintentionally in issues related to development. For example, municipalities and federations of municipalities across the country have a lot of responsibilities in improving the livelihoods of people yet few of them actually put effort and hold responsibility. This leaves SEs and people in drastic living conditions with minimal support and sometimes resistance from governmental authorities. Also, due to the systematic weakness of the public services, people tend to rely on the private sector. However, the private sector does not always prioritise social impact which increases poverty and inequality. SEs can act as the bridge between both sectors while providing the needs of marginalised communities.

4- Donor-Driven Projects: Despite the startling number of NGOs and civil society actors in the country, social impact is not always prioritised due to several factors including corruption and lack of accountability (Jamali, D., & Kreidie, 2014). Aid has been coming to the country for years but some of it was and still is used ineffectively. Donors come in with unique agendas which might sometimes be opposing the real needs of the community. This makes accelerating the development and growth of SEs partly impossible and their pursuit towards poverty eradication harder to reach since some of them end up failing without proper support. Also, social enterprises that prioritize community engagement and long-term impact may find it challenging to compete with short-term donor-driven initiatives that attract more attention and funding.

Discussion and Recommendations

While as stated above poverty eradication is not specifically mentioned in the CEPES principles that guide the social economy in Spain, it is mentioned twice with respect to its document on international cooperation for development (CEPES, n.d.). Firstly it quotes the Spanish cooperation's strategy for economic growth and promotion of the business fabric 2011, which states that: "The cooperative and social economy enterprises have a significant role in a strategy aimed at promoting the productive fabric, placing it at the service of a swifter and more effective reduction in poverty". Secondly it quotes the United Nations General Assembly December 2009 resolution on cooperatives in social development, which states:

"Cooperatives, in their various forms, promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples, are becoming a significant factor of economic and social development and contribute to the eradication of poverty".

The references within CEPES to poverty specific language with respect to development cooperation but not as a main principle on a national level might be indicative of the "aid" mentality often associated with international cooperation for development, something more akin of the Millennium Development Goals (the period of that encompasses both the quoted statements), that were more about aid transfers and the global south, rather than the Sustainable Development Goals that are about all of us. In any case, as demonstrated above, the principle of promoting solidarity internally correlates strongly with the need to reduce and eradicate poverty. However, with Eurostats reporting that in 2022, 95.3 million people in the EU were at risk of poverty or social exclusion (21.6 % of the EU population), and with the National Statistics Office of Spain reporting that 27.8 per cent of the population was "at risk of poverty or social exclusion" in the country in 2021, it might be time for a rethink in mainstreaming the use of terms such as alleviating or eradicating poverty when talking about the social economy and social enterprises.

We propose the following recommendations as a way to scale-up the SE sector and to maximize its impact:

- There is a need for increased collaboration and dialogue between donors, NGOs, and social enterprises. Donors should strive to understand the real needs of the communities they aim to support and work in partnership with local stakeholders to develop projects that align with those needs instead of only focusing on measurable indicators which have no real social impact. This can involve investing in donor education as a means of better aligning donor agendas with ground realities.
- Ensure that SE efforts to eradicate poverty adopt the participatory approach that actively involves community members from the very initial stages, including the planning and execution of social enterprise projects.
- There is a need in emphasizing transparency, accountability, and impact measurement in donor-driven initiatives so that we can help ensure that resources are utilized effectively to address poverty.
- There is a need to invest more in research and improve data accessibility and transparency. This could involve developing a centralized database of SEs and their poverty reduction activities, and other platforms that provide open access to data and research, which would help NGOs, donors, policymakers and other actors make evidence-based decisions. This recommendation foresees a greater involvement of universities and other research institutions. Furthermore, the potential use of AI in data analysis to predict trends and provide insightful suggestions for data-driven poverty reduction decision-making needs to be explored.
- There should be focus on advocacy towards an ecosystem that prioritizes long-term, community-driven solutions that can create an environment where social enterprises can thrive in their pursuit of poverty eradication.
- There is a need to create a conducive regulatory environment, which provides access to finance and resources, and recognizes the social value generated by social enterprises as essential steps in encouraging their growth and increasing their impact on poverty eradication.
- Social enterprises should emphasize and focus on the broader social impact of their initiatives beyond just job creation. This includes addressing social responsibility, environmental awareness, and sustainable practices. By integrating social and environmental objectives into their business models, social enterprises can contribute to the overall well-being of communities and the environment while tackling poverty eradication.
- Understanding the concepts, values and mechanisms of social enterprises in poverty eradication is vital. Therefore, more programmes aimed at educating socially conscious future leaders and society about such a role and importance of SEs need to be designed and implemented. Furthermore, capacity building and training programs for SEs can address knowledge and skills gaps and contribute to the development of the sector. One such important target group is employees working in SEs and their continuous professional development. This is especially important in an ever-changing world of digital technologies.
- Social enterprises should actively participate in forums, conferences, and networking events to exchange best practices, lessons learned, and innovative ideas. Collaborative platforms can help create synergies and inspire new approaches to tackling poverty. A lot of work is being done by LSE association on their platform and by The Solidarity Directory on their website with regards to clustering and networking which allows SEs and other solidarity structures to access resources, collaborate on projects, and collectively address common challenges. These clusters can also amplify the voice of social enterprises in advocating for policy changes and increased support.
- Social enterprises should engage with policymakers and advocate for favourable regulations that enable and encourage the growth of the social enterprise sector. This might include steps such as tax incentives, access to finance, and streamlined

processes for registration and compliance rather than finding complicated ways just to start operating legally.

Conclusion

The social enterprise and social entrepreneurship sector have immense potential to address the enduring challenges of poverty and inequality. The case studies quoted in this research give a flavour of the diversity of approaches and of the potential in the sector. Much of what has been achieved is in the absence of an enabling environment, which automatically brings us to consider what we can achieve if there is a concerted effort from all stakeholders involved: donors, NGOs, social enterprises, and policymakers. The need for a more collaborative, inclusive, and sustainable approach to the social economy cannot be overstated.

The time of writing coincides with the SDG Mid-Point and the social enterprise and social entrepreneurship sector needs to metaphorically “raise its voice” for poverty eradication in the Euro Med region and wider. The July 2023 High Level Political Forum is clear that we are “off track” (IISD, 2023), and the Sustainable Development Goals 2023 special edition report estimates that “If current trends continue, 575 million people will still be living in extreme poverty and only one-third of countries will have halved their national poverty levels by 2030 (United Nations, 2023, p.12)”.

The creation of a conducive regulatory environment - one that recognizes the intrinsic social value generated by social enterprises and provides them with the necessary resources to grow - is critical. Equally critical is the mindset that goes from solely metrics-driven initiatives to that which genuinely addresses the communities’ needs, a reality that often requires unsung leaders and social entrepreneurs, and genuine grassroots engagement with the community.

To create an ecosystem where social enterprises can thrive and maximize their contributions to poverty eradication, we need to create synergy between top-down and bottom-up approaches. Whilst policymakers must play their part by instituting favourable regulations and supportive policies, civil society and entrepreneurs must educate about the business models of social enterprises that can significantly enhance community welfare, while simultaneously tackling poverty. The examples we touched upon in this paper showcase some pioneering efforts that in most cases can be emulated and expanded upon.

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